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ABSTRACT

As of the 1997 Ohio welfare reform laws, families not receiving cash assistance and earning 135 percent or less of the poverty income were eligible for subsidized child care (non-assistance subsidized child care). This study sought to estimate the number of working families in Cuyahoga County, Ohio that could take advantage of non-assistance subsidized child care in 1997. A profile of working poor families that would qualify for non-assistance subsidized child care at a point in time was developed, using a cross-sectional design based on 1990 census data. Findings from this profile indicated that about 9,300 Cuyahoga County families with children under the age of 13 had two working parents or a single parent who worked and earned at or below 135 percent of the poverty rate. Among these families, 23 percent of the parents had less than a high school education; 15 percent had three or more children under age 13; 71 percent were headed by a single parent; and 19 percent depended on public assistance during the previous year. Based on the 1990 profile of Cuyahoga County, it was estimated that the number of children that qualified for non-assistance child care subsidies, at best, could be as low as 12,080, which is more than twice the number (5,400) of non-assistance subsidized child care slots provided by Cuyahoga County in June, 1997. (JS)

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CENTER ON URBAN POVERTY AND SOCIAL CHANGE

BRIEFING REPORT

No. 9702

The Center's welfare research program is carried out in collaboration with and funding from the Cuyahoga County Department of Entitlement and Employment Services and the Federation for Community Planning. Additional support is provided by the Cleveland, George Gund, and Joyce Foundations.

Non-Assistance Subsidized Child Care: Potential Pool of Applicants in Cuyahoga County

By Peg Gallagher, Sue Pearlmutter, Edward Wang, Claudia Coulton, Neil Bania, and Michelle Katona

At the request of Cuyahoga County's Department of Entitlement and Employment Services, the Center on Urban Poverty and Social Change began a study to determine the number and characteristics of families and children that will qualify for child care subsidies under welfare reform. As of October 1, 1997, individuals receiving cash assistance must participate in some form of work activity for at least 30 hours per week. Recipients' children are eligible for subsidized child care while their parents participate in mandated work activity. In addition, families not receiving cash assistance and earning 135% of poverty or less are eligible for subsidized child care. Services provided to working poor families is referred to as non-assistance subsidized child care.

This Briefing Report focuses on non-assistance subsidized child care. A separate report from the Center on Urban Poverty and Social Change details child care needs of public assistance recipients.[1] Information presented here concerns working poor families that may be considered at risk of welfare dependence. The potential pool of qualified applicants for non-assistance subsidized child care was assumed to be all families with children under 13 that earned an income equal to or less than 135% of poverty, headed by two parents, both of whom worked or a single-parent who worked. In short, this Briefing Report estimates the number of working families in Cuyahoga County that can take advantage of non-assistance subsidized child care under the newly-enacted state welfare reform legislation.

Methodology A profile of working poor families that would qualify for non-assistance subsidized child care at a point in time was developed using a cross-sectional design. The Public Use Microdata Sample (PUMS) for Cuyahoga County, drawn from the 1990 Census was used. The PUMS is a random sample of five percent of the County's population. All families with two working parents or a single parent that worked with children under the age of 13 and incomes at or below 185% of poverty were considered. In 1997, a family of four was considered to be living in poverty if their income was below $16,050; at 185% of poverty, a family of four's annual income would equal $29,693. Table 1 defines annual poverty income levels by family size.

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In the recent past, Ohio provided non-assistance child care subsidies to families at various income levels, ranging from 105% to 185% of poverty. As of December, 1997, families can enter the subsidy program if their income is below 135% of poverty ($21,668 for a family of four) and may continue receiving subsidized child care until their income exceeds 150% of poverty ($24,075 for a family of four). Data reported here is for families with incomes equal to 105%, 135%, 150%, and 185% of poverty to provide policy-makers with additional details for future planning of child care needs.

In this analysis, working was defined as having had an income from earnings during the week preceding data collection. Single-parent families in which the single parent worked and two-parent families in which both parents worked with children under the age of 13 and incomes below 185% of poverty were included. Two parents working included both parents working full-time, both working part-time, or one parent working full-time and one parent working part-time. Single parents working either part-time or full-time were included. It is important to note that families with two parents in which only one parent worked were excluded from the profile, since it was assumed these families did not need child care. Because this study was undertaken to estimate child care needs, children in the study were grouped by age-appropriate child care needs. Specifically, the groups are infants (under age one), toddlers (age 1-2), preschoolers (age 3-5), and school-age children (age 6-12).

Findings As shown in Table 2, there were a total of 76,638 two-parent families in which both parents worked and single parent families in which the single parent worked in Cuyahoga County with children under the age of 13. A clear majority of these families had incomes above 185% of poverty. Nonetheless, about one in five of these families had incomes below 185% of poverty, including 12% that had incomes at or below the 135% poverty level.

In total, there were nearly 9,300 families with children under the age of 13, headed by a single parent that worked or two parents, both of whom worked, living at or below the 135% poverty level. These 9,300 families would have been eligible for the non-assistance child care subsidy in Cuyahoga County. Families may continue receiving the child care subsidy until they reach 150% of poverty and this threshold represented 14% or almost 11,000 Cuyahoga County families with a single parent that worked or two parents, both of whom worked.

Table 2 also displays the number of Cuyahoga County children under the age of 13 that lived in families with two working parents or a single parent that worked. Again, a vast majority of the children lived with a parent(s) who earned more than 185% of poverty. Slightly more than 15,000 children lived in families with incomes at or below 135% of poverty, thereby qualifying them for non-assistance subsidized child care. An additional 3,000 children lived in families with incomes below 150% of poverty, which is the most a family may earn while receiving non-assistance child care subsidies. Almost one in four (23%) Cuyahoga County children lived in a household where their parent(s) earned incomes below 185% of poverty.

The type of child care needed by Cuyahoga County families that qualified for non-assistance subsidized child care is displayed in Table 3. The age of children under age 13 with two working parents or a single parent that worked by income is shown. In all families, school-age children made up the largest age group. In families where the parent(s) earned 135% of poverty or less, school-age children made up 61% of the children eligible for a non-assistance child care subsidy. Infants made up just 6% of the children, with toddlers (11%)

and pre-schoolers (22%) making up the remainder. Thus, under current law, about 850 infants, 5,000 toddlers and preschoolers, and 9,200 school-age children would have made up the potential pool of applicants for non-assistance subsidized child care in Cuyahoga County.

General characteristics of families with children under the age of 13 with two working parents or a single parent that worked were also reviewed for this study. In total, there were about 11,900 parents that worked and earned less than 135% of poverty. As displayed in Table 4, about one-quarter (23%) of the poorest parents had less than a high school degree and just 9% had finished college. In contrast, almost a third (31%) of those earning more than 185% of poverty had a college degree. The number of parents with low educational achievement may indicate significant limitations to increased earnings.

Families with children under age 13 with two working parents or a single parent that worked and earned at or below 135% of poverty tended to have more children and were more likely to be headed by a single parent. For instance, among the families with incomes above 185% of poverty, just 9% had three or more children; in contrast, 15% of families with income at or below 135% of poverty consisted of three or more children. The lower income families were also more likely to be headed by a single parent. For example, 29% of the families with incomes below 135% were made up of families with two parents, both of whom worked, while 78% of the families with incomes above 185% poverty line had two parents, both of whom worked. Tables 5 and 6 provide details on these family characteristics.

Many of the Cuyahoga County families profiled depended on public assistance at some point during the year data was collected (1989) as displayed in Table 7. About one in five of the parents who worked and earned 135% of poverty or less reported receiving public assistance during the year data was collected. Less than 1% of the parents at 185% of poverty or above relied on public assistance during the year.

Conclusions About 9,300 Cuyahoga County families with children under the age of 13 had two working parents or a single parent who worked and earned at or below 135% of poverty, thereby qualifying the families for non-assistance subsidized child care. Among these families, 23% of the parents had less than a high school education; 15% had families with three or more children under age 13; 71% were headed by a single parent; and 19% depended on public assistance during the previous year. Low educational achievement, combined with large families, single-parent status, and past history of public assistance indicates the vulnerability of these families. Because of their limited resources, loss of a child care subsidy could result in a return to public assistance. In other words, these families are at risk of future welfare dependence.

Based on the 1990 profile of Cuyahoga County, we estimate these 9,300 families with 15,000 children would qualify for non-assistance subsidized child care. In 1990, 2,984 of these children had a parent that received public assistance and would, therefore, have qualified for child care subsidies as welfare recipients. Thus, the number of children that qualified for non-assistance child care subsidies could be as low as 12,080 (15,064 - 2,984). In June, 1997, Cuyahoga County provided about 5,400 non-assistance subsidized child care slots, which is equal to about half of the number of children in the qualified pool identified in this study.

Most of the children who make up the pool of qualified applicants are school age and would require before and after school programs, as well as summer child care programs. If the eligibility requirement were raised to 150%, we estimate that approximately 18,000 children would make up the potential pool of applicants. Cuyahoga County would need to increase its slots of non-assistance subsidized child care by about three times to provide care to the potential pool of applicants below 150% of poverty (or $24,075 for a family of four). Again, a majority (60%) of these children are school age.

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[1] See Center on Urban Poverty and Social Change Briefing Report No. 9704, Subsidized Child Care for Eligible Cash Assistance Recipients' Children Age 0-5 in Cuyahoga County.

Table 1: 1997 Poverty Guidelines of the U.S. Department of Health and Human Services

Size of Family Unit	100% of Poverty	105% of Poverty	135% of Poverty	150% of Poverty	185% of Poverty
1	$7,890	$8,285	$10,652	$11,835	$14,597
2	10,610	11,141	14,324	15,915	19,629
3	13,330	13,997	17,996	19,995	24,661
4	16,050	16,853	21,668	24,075	29,693
5	18,770	19,709	25,340	28,155	34,725
6	21,490	22,565	29,012	32,235	39,757
7	24,210	25,421	32,684	36,315	44,789
8	26,930	28,277	36,356	40,395	49,821
Each additional person	$2,720				

Source: Federal Register, Vol. 62, No.46, March 10, 1997, pp. 10856-10859.

Analysis by Center on Urban Poverty and Social Change, Mandel School of Applied Social Sciences, Case Western Reserve University.

Table 2: Number of Families and Children with Two Working Parents and Families with a Single Working Parent With Children Under the Age of 13 in Cuyahoga County by Income Level

Income Level	Number of Families	Percent of Families	Number of Children	Percent of Children
0-105% of Poverty	5,697	7%	9,141	7%
106-135% of Poverty	3,583	5%	5,923	5%
136-150% of Poverty	1,670	2%	3,072	3%
151-185% of Poverty	5,064	7%	8,847	7%
186% of Poverty or above	60,624	79%	93,320	78%
Total	76,638	100%	120,303	100%

Source: Public Use Microdata Sample, 1990 US Census.

Analysis by Center on Urban Poverty and Social Change, Mandel School of Applied Social Sciences, Case Western Reserve University.

Table 3: Age of Children in Families with Two Working Parents and Single Working Parents with Children Under Age 13 in Cuyahoga County by Income

	0 - 105% of Poverty		106 - 135% of Poverty		136 - 150% of Poverty		151 - 185% of Poverty		Total Under 185% of Poverty	
Age of Children and Child Care Required	#	%	#	%	#	%	#	%	#	%
Under Age 1 (Infant)	530	6%	324	5%	85	3%	448	5%	1,387	5%
Age 1 - 2 (Toddler)	1,243	14%	433	7%	351	11%	1,486	17%	3,513	13%
Age 3 - 5 (Pre-School)	1,946	21%	1,342	23%	942	31%	1,701	19%	5,932	22%
Age 6 - 12 (School Age)	5,422	59%	3,824	65%	1,694	55%	5,212	59%	16,154	60%
Total	9,141	100%	5,923	100%	3,072	100%	8,847	100%	26,986	100%

Source: Public Use Microdata Sample, 1990 US Census.
Analysis by Center on Urban Poverty and Social Change, Mandel School of Applied Social Sciences, Case Western Reserve University.

Table 4: Educational Achievement of Parents in Families with Two Working Parents and Families with a Single Working Parent by Income in Cuyahoga County

	0 - 105% of Poverty		106 - 135% of Poverty		136 - 150% of Poverty		151 - 185% of Poverty		above 185% of Poverty	
Educational Achievement	#	%	#	%	#	%	#	%	#	%
Less than HS	1,813	26%	971	20%	274	12%	1,439	19%	7,389	7%
HS Grad, GED	2,608	37%	2,039	42%	779	35%	2,638	36%	31,357	29%
Some College	1,569	22%	1,173	24%	872	39%	1,999	27%	27,555	25%
Assoc. Degree	417	6%	255	5%	129	6%	551	7%	8,997	8%
College Degree	592	9%	417	9%	185	8%	800	11%	33,061	31%
Total	6,999		4,855	100%	2,239	100%	7,427	100%	108,359	100%

Source: Public Use Microdata Sample, 1990 US Census.
Analysis by Center on Urban Poverty and Social Change, Mandel School of Applied Social Sciences, Case Western Reserve University.

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Table 5: Number of Families with Two Working Parents and Families with a Single Working Parent by Number of Children Under Age 13 and Poverty Levels

	0 - 105% of Poverty		106 - 135% of Poverty		136 - 150% of Poverty		151 - 185% of Poverty		above 185% of Poverty	
Number of Children Under Age 13	#	%	#	%	#	%	#	%	#	%
1	2,969	55%	1,837	51%	713	43%	2,477	49%	33,961	56%
2	1,911	34%	1,176	33%	566	34%	1,588	31%	20,546	34%
3	707	12%	433	12%	246	15%	820	16%	5,076	8%
4	110	2%	137	4%	66	4%	99	2%	846	1%
5	0	0%	0	0%	79	5%	80	2%	195	0%
Total	5,697	100%	3,583	100%	1,670	100%	5,064	100%	60,624	100%

Source: Public Use Microdata Sample, 1990 US Census.
Analysis by Center on Urban Poverty and Social Change, Mandel School of Applied Social Sciences, Case Western Reserve University.

Table 6: Number of Families with Two Working Parents and Families with a Single Working Parent with Children Under the Age of 13 in Cuyahoga County by Income

	0 - 105% of Poverty	106 - 135% of Poverty	136 - 150% of Poverty	151 - 185% of Poverty	above 185% of Poverty	Total
Two Parents Both working	1,354	1,298	587	2,381	47,286	52,906
Percent	24%	36%	35%	47%	78%	
Single Parent Working	4,343	2,285	1,083	2,683	13,338	23,732
Percent	76%	64%	65%	53%	22%	
Total	5,697	3,583	1,670	5,064	60,624	76,638

Source: Public Use Microdata Sample, 1990 US Census.
Analysis by Center on Urban Poverty and Social Change, Mandel School of Applied Social Sciences, Case Western Reserve University.

Table 7: Number of Parents and Children in Families with Two Working Parents and Families with a Single Working Parent with Children Under Age 13 that Depended on Public Assistance During the Year in Cuyahoga County by Poverty Level

Poverty Level	Parent(s) Received Public Assistance	Number of Children Under Age 13 with Parents that Received Public Assistance	Parent(s) DID NOT Receive Public Assistance	Number of Children Under Age 13 with Parents that DID NOT Receive Public Assistance
0 - 105%	1,573	2,207	5,426	6,934
106 - 135%	645	777	4,210	5,146
136 - 150%	229	249	2,010	2,823
151 - 185%	280	438	7,147	8,409
185% +	875	865	107,484	92,455
Total	3,602	4,536	126,277	115,767

Source: Public Use Microdata Sample, 1990 US Census.
Analysis by Center on Urban Poverty and Social Change, Mandel School of Applied Social Sciences, Case Western Reserve University.